

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

COUNTRY PROFILE

S U D A N

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HISTORY

Sudan is the largest country in area in Africa and is among the least developed. Khartoum, the capital, with the adjacent towns of Khartoum North and Omdurman, have a total population of about half a million, and lie just north of the most intensively developed agricultural area between the Rivers of the Blue and White Nile. The Northern Region covers two-thirds of the country with a predominately Arab-Moslem population; the south which is African, contains three provinces: Bahr-el-Ghazal, Equatorial and Upper Nile. About 40% of the southerners are Christians and Catholic and Protestant missionaries provided most of the school and medical services in the region before independence. But, during the 1955 to 1972 Civil War, the missionaries were ordered out of the region. The immediate cause of the Civil War lay in Africans refusing to accept Arab rulers in place of the British, and demanding their own administration and independence. But the roots of antagonism between the two regions date back to the 1820's when Egyptians invaded Sudan in search of slaves. Egypt remained in control until the Mahdi revolt of 1885 when the Mahdi's forces were defeated in the famous siege of Khartoum. Anglo-Egyptian control of the country was re-asserted by the end of the 9th century and it was British administered until 1956. Evidence of Sudan's early history dates back to about 500 BC and there are remains of Christian Churches built between 342 and 1340 AD when Sudan was entirely a Christian country.

LANUGAGE AND RELIGION

The official language is Arabic. Islam is the predominant religion.

AREA AND POPULATION

Area 969,000 square miles; population mid-1972 16.1 million; annual growth 2.8%.

MAIN TOWNS

Omdurman	198,000
Khartoum (Capital)	185,000
Khartoum North	80,000
Port Sudan	79,000
Khassala	69,000
Juba (Southern Capital)	37,000

CONSTITUTION AND GOVERNMENT

The Council of Ministers which was the main executive authority in the Sudan since 1956 is now replaced by five ministerial councils: National Economy, Natural Resources, Rural and Town Development, Budget and Administration and Development and Human Resources.

President and Prime Minister: General Gafaar Nimeiry

Vice-President for the Southern Region: Abel Alier

Ministers

Defence: Major-General Khalid Hassan Abbas

Foreign Affairs: Dr. Mansour Khalid

Interior: Major-General Mohamed El Baghir Ahmed

Justice: Ahmed Suleiman

Ministers Cont'd

Public Service and Administrative Reform: Abdel Rahman Abdalla
Local Government: Dr. Gaafar Bakheit
Housing and Public Utilities: Mubarak Sinada
Communication: Dr. Bashir Abbadi
Supply: Musa Bilal
Finance and National Economy: Ibrahim Mansour
Agriculture, Irrigation and Natural Resources: Wadie Habashi
Transport: Major-General Zein Al Abdin Gader
Industry and Mining: Dr. Ahmed Al Agib
Animal Production: Dr. Mohamed Hamza
Education: Dr. Mohi Saber
Higher Education and Scientific Research: Dr. Ahmed Al Hassan
Co-operation and Rural Development: Dr. Osman El Gassim

Sudan became an independant republic in 1956 and is led by General Gafaar Nimeiry who gained power in May 1969, in the second military coup since independance. General Nimeiry was formally declared President in 1971, after referendum endorsing his leadership. But throughout, he has faced opposition from both left and right, and in July 1970, was briefly displaced from power by a leftist coup. The leaders of the coup, after trial by a military court were executed. With the virtual abolition of the communist party, and the earlier defeat of the powerful section of the Umma Party at Aba Island in 1970, the Nimeiry regime gained a breathing space in which it set about tackling the country's major problems; the Civil War in the south; the numerous functional rivalries within the Arab community represented by the right wing Moslem brotherhood, a divided Umma Party and the Democratic Unionist Party; and the need for economic development.

A peace treaty with the leaders of the Anya-nya, the southern resistance movement was signed in Addis-Ababa in March 1972, in which Regional autonomy was granted to the three southern provinces and the

the three main towns of Juba-Equatoria, Malakal-Upper Nile, Wau-Bahr-el-Ghazal were recognized as provincial capitals with Juba the capital of the whole region. A Legislative Assembly and Executive Council were set up for the region with the national government in Khartoum retaining responsibility for defence, currency, communications and customs. An amnesty was declared for all southerners. The Sudan Socialist Union was declared the sole political party in a decree in January 1972, shortly before the Addis-Ababa Agreement with the South was signed. At present, the greatest share of the government's development resources are on relief programs in the south and also projects to increase and diversify agricultural exports, extending the industrial sector and to reduce imports of consumer goods. In contrast with the earlier policy of nationalization of foreign firms adopted by the Nimeiry government a concerted effort is being made to encourage private investment as well as to attract foreign aid for major development schemes such as the maintenance and extension of road construction.

INFORMATION

Radio

Sudan Broadcasting service is a government controlled station which broadcasts daily in Arabic and English.

Television

Sudan Television Service is owned by the Sudan Government.

Press

Dailies

Al-Ayam	Arabic
Al-Shaafa	Arabic
Sudan Standard	English

Periodicals

Huna Omdurman	Arabic weekly
Khartoum	Arabic monthly
Nile Mirror	English
El Rai El Amn	Arabic weekly
El Sudan El Gadid	
Sudan Economist	English monthly

BANKING

Under the Nationalization Act of 1970, all banks have been nationalized.

Central Bank

Bank of Sudan acts as banker and financial adviser to the Government, and has sole right of issue of Sudanese bank notes.

TABLE I International Liquidity (Millions of US Dollars)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Monetary Authorities Reserves	47.7	36.4	21.7	27.9	35.6
SDRs	-	-	.1	-	5.3
Reserve Position in the Fund	-	-	-	-	-
Foreign Exchange	47.7	36.4	21.6	27.9	30.3
Fund Position					
Credit Tranche Position:					
Stand-by	7.0	-	-	-	8.1
Credit Tranche Position:					
Other	17.0	22.1	41.1	61.7	39.5
Drawings Outstanding	52.8	52.2	44.1	31.5	46.1

Source: International Financial Statistics, Volume XXVI, Number 9, September/73

Commercial Banks

El Nilein Bank
Juba Commercial Bank
Omdurman National Bank
People's Bank
Red Sea Commercial Bank
State Bank of Foreign Trade
Sudan Commercial Bank

TABLE II Commercial Banks (Millions of Sudanese Pounds)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Reserves	7.32	4.35	4.90	5.08	10.68
Foreign Assets	.78	.57	.50	.39	.86
Claims on Government	5.09	12.77	15.74	16.74	20.24
Claims on Private Sector	70.82	66.07	70.83	69.83	84.79
Demand Deposits	31.06	35.24	41.37	43.43	60.89
Time and Savings Deposits	11.80	13.27	13.51	15.34	20.58
Foreign Liabilities	10.00	5.36	4.87	4.48	7.03
Government Deposits	1.30	1.38	2.24	2.92	4.82
Credit from Bank of Sudan	18.58	16.66	15.16	8.05	6.37
Capital Accounts	5.98	6.04	6.34	6.34	6.36

Source: International Financial Statistics, Volume XXVI, Number 9, September 1973.

Development Banks

Agricultural Bank of Sudan

Estate Bank of Sudan

Industrial Bank of Sudan

Exchange Rate - 1 Sudan POUND equals \$2.87 U.S. Dollars

TRADE UNIONS

Federation of Sudanese Workers' Union includes 135 affiliate Trade Unions. The FSWU is affiliated to the International Confederation of Trade Unions Federations, and the All-African Trade Union Federation. The Federation of Workers' Trade Union of the private sector are two principle trade unions.

UNIVERSITIES

The University of Khartoum came into being on July 24th, 1956. Having developed from the University College of Khartoum, which in turn, was established in 1951 by the merger of the Gordon Memorial College, founded 1903, and the Kitchener School of Medicine, founded in 1924. Number of lecturers and professors - 200; number of students - 2,100.

Attached Institutes

Arid Zone Research Institute conducts scientific investigations into problems of the fauna flora and geology of the arid regions of Sudan.

Director: M.O. El Mubarak

Hydrobiological Research Unit conducts research into the problems of the hydro biology of the Nile, with special reference to inland fisheries.

Director: B. Hammerton

National Building Research Station conducts research in problems related to design, construction of buildings in Sudan.

Director: Dr. A. Madibbo

Sudan Research Unit which is to promote and co-ordinate interdisciplinary research on Sudan.

Director: Dr. Yusuf F. Hasgan

Cairo University - Khartoum

University of Cairo Khartoum Branch was founded in 1955 as a branch of the University of Cairo. Number of lecturers and professors - 80. Total number of students 5,100.

Ministry of Animal Resources, Research Division Box 293, Khartoum
Conducts research on various arts of veterinary science.

Director: Dr. M.A. Razig

National Council for Research, Box 2404 Khartoum

This council is sub-divided into economic and social research, medical research council, agricultural research council, animal research council, and a council for industrial and scientific research.

Secretary-General - Dr. El Sammani A. Yacoub

Higher Institute of Statistics offers a two-year post-graduate course in statistics.

Director: Dr. A.M. Shafie

Other Colleges and Institutes

Khartoum Polytechnic Box 407 Khartoum

Principal - A. Rabi

Khartoum Nursing College Box 1063, Khartoum

Principal - F.M. Halim

Senior Trade School Box 22044, Khartoum

Principal - M. Muhammad Ali

Shambat Institute of Agriculture P.O. Box 71, North Khartoum

Principal - Mutwali A. Al Howeris

College for Arabic and Islamic Studies P.O. Box 328, Omdurman

Principal - Muhammad A. Abdalla

College of Fine and Applied Art Khartoum

Principal - S.A. Gaddal

Research Institutes

Agricultural Research Corporation, Box 126, Wad Medani

Conducts research in agronomy, plant physiology, botany and plant pathology, cotton breeding, cereal breeding, and soil science.

Director - Osman M. Salih

THE ECONOMY

GDP 1969	-	505.9 M Sudanese Pounds
GDP 1971	-	560 M Sudanese Pounds

1972 growth rate estimated at 6%.

Sudan's economy depends heavily on its high quality cotton crop which in 1971 accounted for 70 Million Sudan pounds of the total earnings of exports of 115 Million Sudan pounds. Although production has increased unstable world prices in recent years and uncertain markets have led to little increase in overall earnings. For example, sales of cotton to the Soviet Union which were worth 17 Million Sudan pounds in 1970 - 1971, was only 4.5 Million Sudan pounds in 1971 - 1972. Government policy is to diversify by improved livestock, wheat and vegetable production, and it recognizes the importance of improving communications particularly in the south. In 1970 there were only 505 kilometers of roads of which 330 kilometers were asphalted. A further 2,177 kilometers were gravel surfaced and 16,853 kilometers were earth roads. With the completion of the Medani-Gedare road which was financed by the Chinese, a further 227 kilometers of all-weather roads has now been constructed including a bridge across the Blue Nile providing access to the agricultural lands

of Central and Eastern Sudan. There is at present 1,000 kilometer road link between Khartoum and Port Sudan. River transport is under-utilized although due to an initiative under the United Nations, High Commission for refugee programs for the south, marine engineers are being acquired for Nile River barges operating from Juba. There is heavy dependence on the extensive rail system which, if improved could play a vital role in transporting crops to processing centres and to markets. The rail system covers 4,756 kilometers and connects with the Nile River transport.

Irrigation is essential to many agriculture areas in the north and under the Nile Waters Agreement, Sudan's usage is limited to 22,000 million cubic meters of the Nile's annual flow of 84,000 million cubic meters. A World Bank Loan has been made for the extension and planting of a newly irrigated area close to the Ethiopian border at Roseires.

The United Nations Development Program embarked on a "country programme" for the Sudan on July 1st, 1973. UNDP is to spend an estimated \$20 Million between 1973 and 1976 of which \$3.8 Million will go towards agriculture and \$2.28 Million to education throughout Sudan.

Table III National Accounts (Millions of Sudanese Pounds)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Exports	103.4	115.6	123.4	.....	....
Government Consumption	112.1	147.7	159.0	.....	....
Gross Fixed Capital Formation	70.9	96.0	73.2	.....	....
Increase in Stocks	9.9	-.3	16.4	.....	....
Private Consumption	409.2	348.5	400.5	.....	....
Less: Imports	-122.2	-104.9	-135.0	.....	....
Gross Domestic Product	583.2	602.6	637.6	.....	....
Less: Net Factor Payments Abroad	-6.1	-6.0	-5.1	.....	....
Gross National Expenditure - GNP	577.1	596.6	632.5	.....	....

Source: International Financial Statistics, Vol. XXVI, No. 9, September 1973.

ECONOMIC REVIEW

The basic facts about Sudan's economy is that for a number of years now, real capita income has been falling. The level of investment has been low and consumption has out-stripped savings at an alarming rate. Sudan has had a perennial balance of payments deficit which has led to a steady decline in the country's foreign reserves to an all time low of \$21.6 million at the end of 1970, and which has prevented imports of badly needed investment goods. Partly because of this difficulty, the inflow of capital has slowed down so that in 1970-71, the amount was no more than what was spent on servicing old debts.

Estimates for 1971 shows Sudan's gross domestic product at 585 Million Sudanese pounds giving a per capita income of LS 38. According to a new series of national accounts, the GDP increased by 30% between 1960 and 1968, or at a rate of 5% per annum, but the gain was probably wiped out by the increase in population and the rise in prices. In 1970-71, the agricultural sector (Including water and electricity and construction), actually declined marginally while services more than doubled in the process raising the share of GDP from 28% to 46%. Between 1961 and 1968, it is reckoned that the industrial sector of the economy grew only by an average of 1.4%.

TABLE IV MAIN EXPORTS IN 1970

Cotton	63,671
Gum arabic	9,099
Sesame	6,497
Groundnuts	5,514
Hides and skins	5,560
Other	13,573
Total	103,914

Source: Bank of Sudan

MAIN IMPORTS IN 1970 (In Sudan Pounds)

Foodstuffs	18,137
Beverages and tobacco	2,768
Crude materials	5,608
Chemicals	9,899
Manufactured goods	22,905
Machinery and equipment	14,510
Transport equipment	13,810
Textiles	12,483
Total	100,120

Source: Bank of Sudan

DEVELOPMENT PLAN

The target of Sudan's Development Plan for 1970-71 to 1974-75 is to increase Sudan's gross domestic product at the rate of 7.6% per annum compared with the 4.9% achieved in the previous plan 1964-65 - 1969-70, with the result that the country's GDP will rise from an estimated 567.6 million Sudanese pounds in mid-1970 to 781.6 million Sudanese pounds by 1975. In the process, per capita income with the population estimated at 15.5 million is projected as rising from 36.6 million Sudanese pounds to 46.6 million Sudanese pounds. To achieve this target, public investment over the five years has been set at 215 million Sudanese pounds. Agriculture, including livestock and fisheries which is estimated to have accounted for 41.7% of the GDP in 1969-70 receives the main attention with an estimated expenditure at 80 million Sudanese pounds or 37.2% of the total. In addition, the private sector is expected to double its investment of the 1965-67 period to 26.5 million Sudanese pounds. But the largest projects are again in the field of irrigation, and they have been allocated 25.6 million Sudanese

pounds. The most important is the Rahad project, which will utilize the waters stored by the Roseires dam completed in 1969 at a cost of \$150. Altogether, the plan aims to bring about 700,000 Feddans under irrigation compared with 450,000 Feddans in the previous five years. In terms of production, output of cotton is expected to increase from about 500,000 tons in 1969-70 to 1.7 million tons by 1974-75. Groundnuts - 380,000 tons to 603,000 tons; millet which is the staple crop with domestic demand now about 1.3 million tons a year to 2.3 million tons; wheat from 160,000 tons to 320,000 tons, sorghum from 383,000 tons to 441,000 tons. Equally important with its long time export potential is the development of the livestock industry. The plan is to make the Sudan self-sufficient in milk and milk products while increasing exports of meat from 25,000 tons in 1969 to 90,000 tons by 1974-73. Altogether, Agriculture's contribution to the GDP is expected to increase to 43.1% or 83 million Sudanese pounds. For industry, a public sector investment of 36.4 million Sudanese pounds or 16.9% of the total planned, with a further 28.2 million Sudanese pounds coming from the private sector. It is believed that the Sudan can achieve self-sufficiency in the period in yarns, textiles, man-made clothes, knit-wear, foot-wear, sugar, and canned fruits.

PLAN TARGETS

The five year plan aims at increasing industrial production by 57.4%. It is expected that the value of industrial production will rise to 80 million Sudanese pounds a year by 1974-75 compared with 51 million Sudanese pounds in 1969-70. "The plan aimed at self-sufficiency in the industrial sector has given priority to development of the textile, sugar, vegetable and fruit canning, hides, fertilizer, plywood and paper industries."

DEFICIT FINANCING

Over the past 10 years, Sudan has been in an almost continuous state of deficit with the average of the last 5 years being LS 5 million, for

example, a deficit of 12.6 million Sudanese pounds in 1968 and 10.4 Sudanese pounds in 1970. From 1965 to 1970, the foreign reserves fell from \$59.7 million to \$21.6 million. Money supply in the Sudan has increased raising half as fast as the growth rate over the past five years. The reason for this, is the Government's persistent deficit financing. Of the total Development Expenditure in the 1965-70 period amounting to 138.1 million Sudanese pounds, no less than 49.1 million Sudanese pounds came from bank borrowing and only LS 16.8 million came from budget surpluses, with the balance being provided by foreign loans. The Government's overall internal debt was 96.6 million Sudanese pounds by the middle of 1971, compared with 81.8 million Sudanese pounds in 1970, and 63.21 million Sudanese pounds in 1969.

Table V BALANCE OF PAYMENTS (Million US Dollars)

	<u>1969</u>	<u>1970</u>	<u>1971</u>
Current Account			
Merchandise Trade	2.3	-13.8	-16.9
Investment Income	-14.7	-14.9	-13.2
Other Service and Transfer Payments	-15.5	-13.5	-9.6
Balance on Current Account	-27.9	-42.2	-39.7
Capital Account			
Private	.8	.9	-4.3
Government	34.2	2.3	6.7
Balance on Capital Account	33.4	1.4	2.4
Errors and Omissions	- .7	-1.5	-2.4
Net Surplus () or Deficit (-)	4.8	-42.2	39.7

BUDGET 1972-73

The budget for 1972-73 total revenue is estimated at LS 191.31 million. A slight drop on last year's figure of 192.7 million Sudanese pounds. Expenditure is estimated at 255.5 million Sudanese pounds of which 189.6 million Sudanese pounds is in current account and 65.5 million Sudanese pounds for Development. The Southern Region has been allocated a budget of 22.7 million Sudanese pounds out of the total expenditure estimates. The Minister of Finance said that "the Government did not want to add new tax burdens and for this reason the budget contained no tax changes".

TRADE STATISTICS 1971-72

Total exports in the financial year 1971-72 amounted to 114.4 million Sudanese pounds of which cotton exports accounted for more than LS 69 million. Other exports included groundnuts, gum arabic, sesame seed oil, and other vegetable oils. Imports for the same period amounted to 123.6 million Sudanese pounds resulting in a trade deficit of 9.2 million Sudanese pounds.

AGRICULTURE

A total of 1.2 million Sudanese pounds has been allocated to Agricultural co-operative projects to be implemented in 1972-73. In addition, 60,000 Sudanese pounds is to be spent on setting up coffee farms in the Southern Regions and 35,000 Sudanese pounds on Agricultural Co-operatives. Another 1.010 million Sudanese pounds is to be spent on agricultural projects in the Northern Provinces.

TABLE VI INTERNATIONAL TRADE (Millions of Sudanese Pounds)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Exports	81.15	86.25	103.91	114.37	124.35
Cotton	51.29	51.84	63.67	69.91	76.14
Gum Hasab	8.80	8.34	8.68	7.70	9.00
Groundnuts	5.78	5.02	5.51	9.33	9.94
Re-exports	.32	.57	1.40	.62	.09
Imports, cif	89.71	89.32	100.12	115.44	111.56
Imports, fob	80.10	79.75	89.39	103.07	99.61

Source: International Financial Statistics, Vol. XXVI, No. 9, September 1973.

INDUSTRY

Industry is still in an early stage of development and employs less than 1% of the economically active population. It is basically concerned with the processing of agricultural goods, i.e., the cotton ginneries, and the processing of cotton oil and import substitution industries like textiles, sugar, soap, cigarettes and matches. In general, Sudanese industry has been be-devilled by labour problems, lack of managerial personnel, shortage of capital and communications difficulties.

Mining

The Sudan Government approved four acts covering exploration of oil and minerals and industrial consultation in the Sudan. A petroleum resources act stipulates the formation of a 13 man petroleum affairs council to study the applications for exploration and to supervise the activities of licencees. Under the act, licences will not be granted to foreign companies, unless they are registered for exploration in the Sudan. It also lays down that the Government will have the right of a 50% capital share if oil is found in economic quantities.

TRANSPORT AND COMMUNICATIONS

Of vital importance for industry and agriculture are communications, whose inadequacy has probably been one of the major obstacles to an increase in the country's production and export. The plan itself projects a Government investment of 29.63 million Sudanese pounds in communications or 13.7% of the total, with the emphasis on improving the existing facilities of Sudan railways and increasing its rolling stock. High priority will also be given to the road from Wad Medni to Port Sudan, a 1,100 kilometer link which overall will cost about 36,000 million Sudanese pounds.

Railway

The total length of railway is about 4.756 route miles. The Sudanese and Central African Governments have agreed on a railway linking Sudan and the Central African Republic. The line will pass through copper mining areas in both countries. A joint technical committee will be established to follow-up the implementations of the agreement and seek sources of finance.

Roads

There are over 30,000 miles of tracks which are classified as motorable, but these are almost impassible during the rainy season. In fact, there are only 300 miles of asphalt roads.

Waterways

The total length of navigatable waterways served by passenger and freight services is 4,200 kilometers from the Egyptian border to Wadi Halfa and Khartoum. Navigation is limited by cataracts to short stretches, but the wide mile from Khartoum to Juba is navigable in almost all seasons. The Blue Nile is un-navigable.

Airports

Khartoum and Omdurman airports are built to international standards. There are, however, 18 other airstrips throughout the country.

LOANS

China has agreed to grant Sudan a new loan of \$40 million. This loan will be used to purchase agricultural equipment, chrome prospecting and the development of the fishing industry. This is the second loan made by China to Sudan since August 1970. A previous loan, also \$40 million financed a road linking Meddni, capital of the cotton producing province with Gadarif and other projects. Under an agreement signed in Khartoum, the British Government gave a loan of 1.1 million pounds sterling. Kuwait made a loan of 6 million pounds sterling to Sudan. UNDP gave a loan of \$873,900 to provide training facilities in management and to improve the efficiency of business and industrial operations. West Germany and Sudan have signed an aid agreement of 55 million marks. The loan will be used for importing urgently needed goods, for modernizing Sudan Railways and for equipping a jute processing factory.

REFUGEE RESETTLEMENT

It is estimated that \$60 million would be needed to re-settle an estimated 250,000 to 500,000 refugees that have returned from neighbouring countries following the settlement with Southern Sudan. To stimulate development in the south, a number of projects shelved during the civil war will be implemented. These mainly involve improving the coffee, sugar, rice, timber, fishing, and paper industries.

Sudan has received \$26 million from Abu-Dhabi to be used in implementing the first phase of the construction of the Port Sudan-Khartoum highway.

The UNDP and the Sudanese Government have drawn up a \$5 million program for the development of the three Southern Provinces. Among major UNDP finance projects is the reclamation of 2,500 Feddans and studies for the exploitation of 10,000 Feddans. There is further a \$2 million agricultural project. Other projects include the establishment of training centres, the rehabilitation of the people in the Southern Provinces and provision for technical experts and scholarships. The International Development Association has announced Sudan 259 Million shillings credit for an irrigation project.